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No. 90-603

Supreme Court, U.S.  
**F I L E D**

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In The  
**Supreme Court of the United States**  
October Term, 1990

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GTE CORPORATION,

*Petitioner,*

vs.

DAVID R. WILLIAMS d/b/a  
GENERAL TELEPHONE,

*Respondent.*

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On Petition For A Writ Of Certiorari  
To The United States Court Of Appeals  
For The Tenth Circuit

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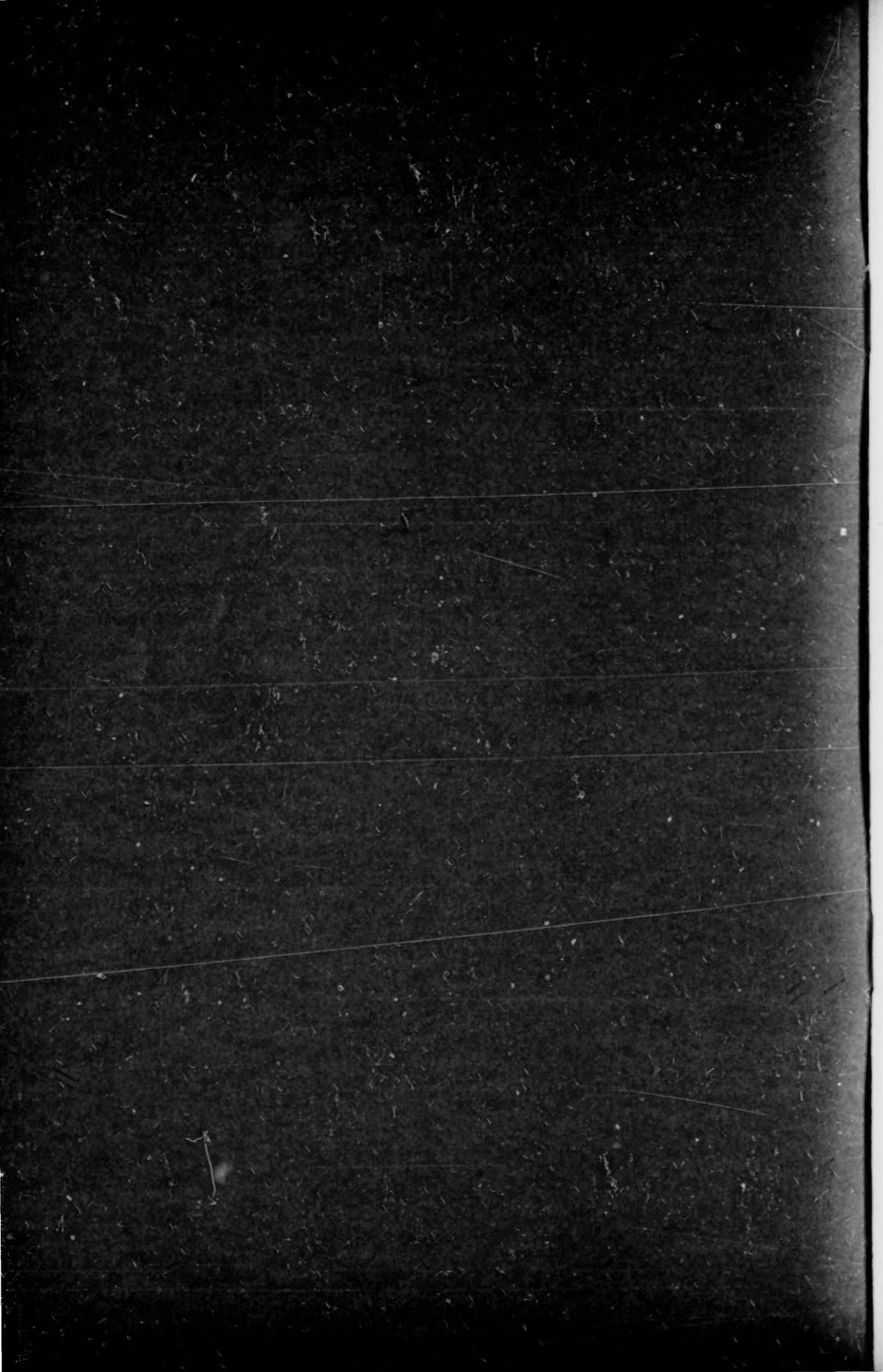
BRIEF OF RESPONDENT IN OPPOSITION

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November 9, 1990



## QUESTION PRESENTED

Whether it constitutes infringement of a tradename for a junior user to use the tradename, "General Telephone", which he adopted in good faith eight years prior to registration by the senior user, in a market that is remote from that occupied by the senior user and in which there is no likelihood of confusion, merely because the junior user had some knowledge that a somewhat similar name, "General Telephone and Electronics of California", was in use by another in a remote and limited geographical market.

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**STATUTORY PROVISIONS**

The statutory provisions relied on in the court of appeals' opinion with the relevant portions in italics are as follows:

15 U.S.C. §1114(1)(a) -

(1) Any person who shall, without the consent of the registrant -

(a) *use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; . . . .*

Shall be liable in a civil action by the registrant for the remedies hereinafter provided. (Emphasis added.)

15 U.S.C. §1115(a) -

(a) *Any registration issued under the Act of March 3, 1881, or the Act of February 20, 1905, or of a mark registered on the principal register provided by this chapter and owned by a party to an action shall be admissible in evidence and shall be prima facie evidence of registrant's exclusive right to use the registered mark in commerce on the goods or services specified in the registration subject to any conditions or limitations stated therein, but shall not preclude an opposing party from proving any legal or equitable defense or defect which might have been asserted if such mark had not been registered.* (Emphasis added.)

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## STATEMENT OF THE CASE

This action was brought by GTE against Williams for damages and for an injunction to prevent Williams from using the name "General Telephone" in the central area of Utah. In its ruling in favor of Williams, the Utah district court made extensive findings of fact which are set out in

full in the appendix to this brief. The findings and conclusions of the district court included in the petition at A56 were in support of the preliminary injunction, the granting of which was reversed in an earlier appeal, and are not relevant here because the matter was tried to the court de novo. (Pet. App. 5).

In regard to Williams' initial use of the name "General Telephone", the district court found that while Williams, at the time he adopted the name in 1974 for use in his paging and two-way radio business (§ 22), was aware that there was a company named "General Telephone and Electronics of California" (§ 64), he was not aware that GTE used or claimed to use the name as a trade or service mark (§ 65). Between 1975 and 1982 Williams expended substantial amounts in building and advertising his business (§§ 81, 82). GTE knew or should have known that Williams was using the name beginning as early as 1975 (§ 69), and thereafter (§§ 71-73), but did not notify Williams of any objection until 1982 (§ 78).

The district court found that GTE has not had any operating subsidiaries in Utah (§ 40); such subsidiaries had never done business in Utah (§ 42); GTE has never sold products or provided services in Utah under the name "General Telephone" (§§ 47, 48); the name "General Telephone" is not identified with GTE in Utah (§ 50); and neither GTE nor its operating subsidiaries has ever conducted advertising in Utah for specific operating subsidiaries (§§ 39-43). The district court also found that public confusion in Utah, if any, because of GTE's and Williams use of the name, was de minimus (§ 57).

On appeal the court of appeals, observing that GTE's "real objection is to the [district] court's *weighing* of the evidence", Pet. App. 10, upheld the district court's finding that "Williams' use of the 'General Telephone' mark in the Wasatch Front [area of Utah] is not likely to cause confusion in the marketplace concerning the source, origin or sponsorship of his paging and mobile/portable telephone services." Pet. App. 9. The court of appeals accordingly concluded that GTE had failed to prove Williams' use of the name was "likely to cause confusion, or to cause mistake, or to deceive" as is required in order to obtain relief under the Lanham Act. 15 U.S.C. §1114(1).

The court of appeals refused to affirm the district court's conclusion that Williams had established a statutory defense under 15 U.S.C. §1115(b)(5) because those statutory defenses are only relevant where the trademark registration has become incontestable, but did affirm the district court's conclusion that Williams had established the common law "good faith - remoteness" defense, available under 15 U.S.C. §1115(a). Pet. App. 10. The court of appeals recognized that Williams' knowledge of a company named "General Telephone & Electronics of California" had a bearing on the existence of his good faith, but refused GTE's suggestion that that knowledge, by itself, precluded the defense. Observing that "[t]he ultimate focus is on whether the second user had the intent to benefit from the reputation or goodwill of the first user", Pet App. 14, and giving deference to the opportunity of the trial court to judge the credibility of witnesses, Pet. App. 15, the court of appeals upheld the district court's finding that Williams adopted the trade-name in good faith.

The court of appeals also upheld the findings of the district court establishing that GTE and Williams do not compete in Utah or in any other place under the name or mark "General Telephone", Pet. App. 15, and accordingly decided that the district court had correctly held that Williams had established the "good faith - remote market" defense and was therefore entitled to the exclusive use of the name "General Telephone" in the central area of Utah.

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### SUMMARY OF THE ARGUMENT

The petition analyzes the court of appeals' decision in the context of petitioner's view of the facts which is in conflict with the factual findings of the district court and thereby arrives at a holding which is inaccurate.

The actual holding of the court of appeals is that it does not constitute infringement of a tradename for a junior user to use a tradename which he adopted in good faith in a market remote from that occupied by the senior user and where there is no likelihood of confusion.

The court of appeals correctly applied the principles set out in this Court's decisions applicable to a claim of trade-name infringement where the junior user is in a market wholly remote from that of the senior user and the junior user did not adopt the name with the intent to "pass off" his goods as those of the senior's or otherwise unfairly compete.

The holding of the court of appeals is not in conflict with the holdings of any other court of appeals.

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## ARGUMENT

The court of appeals correctly resolved the question petitioner presents for review. The court of appeals' resolution of that issue does not conflict with any decision of this Court or any other court of appeals.

The petitioner's analysis of the court of appeals' decision is faulty because it proceeds from petitioner's own view of the facts rather than the findings of the trial court. Petitioner thereby divines a holding of the court of appeals that "dangerously expanded" the "good faith - remote area" defense. However, if the decision is analyzed in the context of the extensive findings of the district court, which the court of appeals found to be adequately supported by the record, the actual holding of the court of appeals is consistent with all holdings of this Court and not in conflict with the holding of any other court of appeals.

The court of appeals held that it does not constitute infringement of a tradename for an intermediate junior user to use a tradename which he adopted in good faith in a market remote from that occupied by the senior user and where there was no likelihood of confusion in the market place as to the source, origin or sponsorship of the services offered. To be sure, the petitioner disputes that Williams was in good faith, that the markets occupied by Williams and petitioner are remote from one another and that there is no likelihood confusion. However, as the court of appeals observed, "GTE's review of the evidence reveals that its real objection is to the [district] court's *weighing* of the evidence, not to the legal standard applied." Pet. App. 10. (Emphasis in original, bracketed

material added.) The court of appeals concluded that the district court's findings on these factual matters are supported by the record and are not clearly erroneous. Pet. App. 10, 15-16. Surely the court of appeals was correct to give due regard to the opportunity of the trial court to judge the credibility of witnesses. See Rule 52(a), Fed. Rules of Civil Procedure; *Anderson v. Bessemer City*, 470 U.S. 564, 574 (1985).

The finding that GTE failed to prove likelihood of confusion clearly precludes GTE from obtaining relief under the plain language of 15 U.S.C §1114(1)(a). The lack of any likelihood of confusion in the marketplace also has a bearing on the further determination that Williams had established the common law defense of good faith adoption of the tradename in a remote market, which defense is available pursuant to 15 U.S.C. §1115(a).

The court of appeals correctly applied the applicable principles of law, pertaining to the "remote market - good faith" defense, set out by this Court in *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403 (1916), and *United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90 (1918). In *Hanover*, this Court said:

In the ordinary case of parties competing under the same mark in the same market, it is correct to say that prior appropriation settles the question. But where two parties independently are employing the same mark upon goods of the same class, but in separate markets wholly remote the one from the other, the question of prior appropriation is legally insignificant; unless, at least, it appear that the second adopter has selected the mark with some design inimical to the interests of the first user, such as

to take the benefit of the reputation of his goods, to forestall the extension of his trade, or the like.

240 U.S. at 415.

Thus, a prior user cannot claim infringement by a junior user of the same trademark unless he can show competition in the same market or an attempt to "palm off" goods or to forestall the extension of the prior user's trade or the like because: "The essence of the wrong consists in the sale of the goods of one manufacturer or vendor for those of another." 240 U.S. at 412-13.

In *United Drug Co. v. Theodore Rectanus, supra*, this Court stated the principle thusly:

Undoubtedly, the general rule is that, as between conflicting claimants to the right to use the same mark, priority of appropriation determines the question. But the reason is that purchasers have come to understand the mark as indicating the origin of the wares, so that its use by a second producer amounts to an attempt to sell his goods as those of his competitor. The reason for the rule does not extend to a case where the same trademark happens to be employed simultaneously by two manufacturers in different markets separate and remote from each other, so that the mark means one thing in one market, an entirely different thing in another. It would be a perversion of the rule of priority to give it such an application in our broadly extended country that an innocent party who had in good faith employed a trademark in one state and by the use of it had built up a trade there, being the first appropriator in that jurisdiction, might afterwards be prevented from using it, with consequent injury to his trade and good will, at the instance of one who theretofore had employed the same mark, but

only in other and remote jurisdictions, upon the ground that its first employment happened to antedate that of the first-mentioned trader.

248 U.S. at 100. (citations omitted.)

While in *Hanover, supra*, 240 U.S. at 412, it had been found that the junior user at time of adoption of the tradename had "no knowledge that anybody else was using or had used those words in such a connection" and in *Rectanus, supra* at 103, it appeared that the junior user had adopted the tradename "without notice of any prior use by others," in neither case was the absolute lack of knowledge made "the test." Rather, the good faith was inferred from the lack of knowledge since one could not attempt to "palm off" his goods as another's if he did not know of the other's existence. However, the converse is not necessarily true. Knowledge does not always equate to bad faith. There is nothing in those cases to mandate a finding of "some design inimical to the interests of the prior user" or "an attempt to sell his good as those of a competitor", simply because a junior user has some knowledge that someone else has used a somewhat similar name in another remote and geographically limited market where there is no danger of confusion.

The petitioner implies that the decision of the court of appeals below is in conflict with the decisions of other courts of appeal but does not cite any such cases as being directly in conflict. Counsel for Williams is unaware of any court of appeals' decision which holds that a junior user of a tradename, who adopted that name in good faith in a market remote from that of a senior user and where there was no danger of confusion, is not protected simply because he had knowledge that someone was

using the same or a similar name in a remote and geographically limited area.

The petition, at 18, cites *Travelodge Corp. v. Siragus*, 228 F. Supp. 238 (N.D. Ala. 1964), *aff'd per curiam*, 352 F.2d 516 (5th Cir. 1965), and *Foxtrap, Inc. v. Foxtrap, Inc.*, 671 F.2d 636 (D.C. Cir. 1982), for the proposition that a junior user must prove a total lack of knowledge to be protected but those cases are distinguishable from the instant case on critical facts. In *Travelodge*, the parties conceded that there was "actual, substantial and constant confusion", 228 F. Supp at 239, and the district court expressly found "that defendants . . . intentionally and deliberately copied and appropriated plaintiff's distinctive trademark." 228 F. Supp. at 240. In *Foxtrap*, there was confusion, the senior user competed in the junior's market and the junior user had "manifest awareness" of the senior user's trademark at the time of the junior's adoption. The actual holding of the court of appeals below is not in conflict with the holding of any other federal court of appeals. Differing results in other cases follow from application of the principle to different factual contexts.<sup>1</sup> As the court in *Travelodge*, *supra*, observed:

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<sup>1</sup> For example, in *Fry v. Lane-Western*, 282 F.2d 97 (8th Cir. 1960), which was not cited by petitioner, the court held that knowledge of the senior user's use of the tradename precluded a junior user from excluding the senior user from the disputed market under the *Hanover* and *Rectanus* cases, 282 F.2d at 105, despite the finding that there was no evidence of deliberate palm-ing off. However, the disputed market was not remote since there was undisputed evidence of sales in the disputed market by the senior user prior to adoption by the junior user, 282 F.2d at 103, 106, and both users were operating in the same territory at the time of the suit. 282 F.2d 103-4.

The courts have frequently recognized that each trademark case must be decided on its own peculiar facts and that similar cases are of limited help in this area of the law. *American Foods, Inc. v. Golden Flake, Inc.*, 312 F.2d 619 (5th Cir. 1963).

228 F. Supp. at 240.

Of course, if the facts had been found to be as petitioner argues them to be, the result might have been different. However, the court of appeals, upon a review of the record, concluded that the findings of the district court had adequate support in the record and were not clearly erroneous. The petitioner does not cite the record to substantiate its claim that the evidence was contrary to the district court's findings. In these circumstances, issuance of a writ to review the court of appeals' decision upholding the district court's findings is clearly inappropriate.

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### CONCLUSION

The petition for a writ of certiorari should be denied.

RESPECTFULLY SUBMITTED this 9th day of November, 1990.

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APPENDIX

IN THE UNITED STATES DISTRICT COURT  
DISTRICT OF UTAH - CENTRAL DIVISION

GTE CORPORATION,		FINDINGS OF
	Plaintiff,	FACT AND
vs.		CONCLUSIONS
		OF LAW
DAVID R. WILLIAMS, individually		Civil No.
and dba GENERAL TELEPHONE,		C82-1237G
Defendant.		

This matter came on regularly for non-jury trial on April 7, 1986 and concluded on April 17, 1986. Plaintiff GTE Corporation was represented by Jeffrey A. Schwab, Mark Regan and Robert R. Mallinckrodt and defendant Williams was represented by Robert S. Campbell, Jr. and Louise Knauer. After trial of the merits and counsels' able arguments to the Court, the Court took the matter under advisement. The Court hereby adopts Findings of Fact and Conclusions of Law.

FINDINGS OF FACT

I. The Parties.

1. Williams, dba General Telephone, a sole proprietorship, is a resident of the State of Utah, with his principal place of business at 1171 South West Temple, Salt Lake City, Utah.

2. Williams is a public utility authorized to provide radio common carrier service in the Wasatch Front area of Utah.

3. Williams markets his radio common carrier services as a provider of mobile/portable telephone and paging service on the Wasatch Front under the trade name, trademark and service mark "General Telephone."

4. GTE Corporation ("GTE") is a corporation organized and existing under the laws of the State of New York, with its principal place of business at One Stamford Forum, Stamford, Connecticut.

5. GTE is the parent corporation of numerous subsidiaries throughout the United States, including several operating companies (the "General Telephone Operating Group") and many non-operating subsidiaries.

6. Operating subsidiaries of GTE are to be found in portions of 31 states.

7. GTE services about 8% of the total telephone market in the United States and is the sixth largest company on the New York Stock Exchange.

8. By 1973 the General Telephone Operating Group provided to its subscribers full service and equipment including local telephone service, connection to long distance lines, third party calling (calling one number and charging the call to an account other than the two connecting numbers), collect calls, credit card calls, and paging and mobile telephone services and equipment.

9. The GTE operating subsidiaries currently serve over 16 million telephones in 7500 communities in the United States and employ 91,000 people.

10. From 1935 to 1959, GTE's corporate name was "General Telephone Corporation."

11. In 1959, the corporate name was changed to "General Telephone and Electronics Corporation" to account for the acquisition of Sylvania.

12. From 1959 to 1971, GTE experienced national identity problems with the name "General Telephone and Electronics Corporation," and there was a general lack of public acceptance and knowledge of the electronics part of the business.-

13. In 1971, the parent adopted the logo of "GTE," which was widely publicized to reflect a broad identity. All subsidiaries, operating and non-operating, began to use the GTE logo thereafter to build public awareness of the corporate identity. The year 1971 marked a downgrading in the use of "General Telephone and Electronics Corporation" as the corporate identity toward the public.

14. With the exception of the subsidiary in Hawaii and one in Pennsylvania, all of GTE's telephone operating subsidiaries are named "General Telephone" followed by a geographic description, such as "General Telephone of Kentucky."

15. In 1973, GTE initiated a corporate advertising strategy to eliminate "General Telephone and Electronics" as the corporate name and symbol and to replace it with the initials "GTE."

16. As the culmination of that strategy to alter the public perception of the corporate symbol, GTE officially changed its corporate name of "General Telephone and Electronics" to "GTE Corporation" on July 1, 1982.

17. GTE first obtained registration of the "General Telephone" mark with the United States Patent and Trademark Office on October 22, 1982.

18. Since 1971, GTE has never used the term "General Telephone" alone to identify its telephone services, but has always employed and continues to employ it with a geographic description and/or the GTE logo.

19. GTE has never registered the name or mark "General Telephone" with the Utah Secretary of State's office.

#### Name Usage by Williams of "General Telephone"

20. In 1974, Williams was licensed as a public utility under the name "David R. Williams, dba Industrial Communications."

21. Although none of defendant's licenses are in the name "General Telephone," Williams adopted "General Telephone" as a business name and chose it as a service mark in May or June, 1973.

22. Williams began using the name and mark "General Telephone" to identify his paging telephone services in February, 1974 and his portable/mobile telephone services in the Wasatch Front region of Utah in March 1974.

23. Williams has used the name and mark "General Telephone" to identify his paging and portable/mobile telephone services continuously in the Wasatch Front region since March 1974.

24. Before Williams adopted the General Telephone mark he inquired of the Utah Secretary of State's Office

whether the name "General Telephone" was available in Utah, and was informed that it was available. Williams had his attorney look into the matter and was advised that the name was available, and he asked Mountain Bell if that company objected to his using the name and was told that it did not.

25. Williams filed a Certificate of Doing Business under the assumed name "General Telephone" with the Utah Secretary of State on October 19, 1977, and that Certificate was renewed on September 19, 1980.

26. Williams has listed "General Telephone" in the Salt Lake City Telephone Directory continuously since 1973.

27. Williams does not provide paging or mobile/portable telephone service outside the Wasatch Front area of Utah under the name or mark "General Telephone."

28. Defendant General Telephone sends some bills outside Utah, although the geographical parameters of his service do not extend beyond the Wasatch Front.

29. Williams has no plans to expand his business beyond the Wasatch Front geographic region.

#### Advertising by GTE

30. GTE has conducted extensive advertising on national and local levels expending hundreds of millions of dollars to promote its telecommunication services and products, to create a national corporate image and to develop name recognition and identity among the public.

31. The main purpose of the national advertising has been to enhance GTE's national corporate image and to acquaint the public with the breadth of the corporation's products and services.

32. Although in recent decades telephone operations experienced a decrease in growth, the electronics area expanded and experienced rapid growth; advertising focused on the electronics area as well.

33. Development of the "Gee - no GTE" slogan was part of GTE's attempts to develop a national image and name recognition.

34. From 1973 forward, a great emphasis and focus was placed on the corporate identity and the name.

35. GTE has succeeded in achieving a national reputation and strong name recognition was "GTE" through its extensive advertising efforts.

36. However, the name perception and connection between "GTE" and "General Telephone" is not nearly as strong nationally and there is a very small recognition factor on the relationship and connection between "GTE" and "General Telephone" in Utah.

37. The local advertising of GTE has occurred mainly in the areas within which the operating subsidiaries existed and conducted business.

38. The main purpose of local advertising within those areas was to increase subscribership, create goodwill and increase the rate base.

39. None of the advertising of and for the specific operating subsidiaries was ever shown or run in Utah.

### GTE's Involvement and Contacts Within Utah

40. GTE has no operating subsidiaries in Utah or in the adjacent states of Nevada, Arizona, Colorado or Idaho (with the exception of a portion of northern pan-handle of Idaho) and has never had such subsidiaries in those areas.

41. The closest areas to Utah within which GTE operating subsidiaries exist and conduct business are California on the West, Northern Idaho on the north, Nebraska on the East, and New Mexico on the south.

42. None of GTE's operating subsidiaries has ever done business or provided services in Utah.

43. Neither GTE nor its operating subsidiaries has ever conducted advertising in Utah for specific operating subsidiaries.

44. With the exception of the national advertising on behalf of GTE, there has been no intentional advertising in Utah and no expenditure of money specifically targeted or earmarked to Utah.

45. The national advertising that has reached Utah via television and nationally circulated publications was not conducted with the intention that the advertising would create a Utah public awareness of the connection between GTE and a telephone operating company.

46. Prior to 1974, GTE sold no products in Utah which were marked with the words "General Telephone."

47. Prior to 1974, GTE neither offered nor provided any services in Utah under the mark "General Telephone."

48. GTE currently provides no product or service in Utah under the name or mark "General Telephone."

49. GTE has never registered the name or mark "General Telephone" with the Utah Secretary of State's office.

50. The mark "General Telephone" has no substantial identification in the State of Utah with GTE or any of its subsidiaries and is not identified in the State of Utah with GTE or any of its subsidiaries.

51. From 1979 to 1984, a GTE corporate subsidiary conducted business in the State of Utah. It was in operation for the sale of flip top telephones and was not an operating telephone company or a mobile/portable telephone service. It operated under the name "GTE - Business Communications Systems," and prior to that "GTE Telecommunications Systems." That GTE subsidiary never operated in Utah using the name "General Telephone" on corporate letterheads, signs, vehicles, logos, etc.

52. From 1973 to 1982, GTE did not provide paging or mobile/portable telephone services in Utah.

53. GTE now provides paging and/or mobile/portable telephone services in Utah, and the product is known as the "GTE Pocket Pager."

54. GTE and Williams currently do not compete in Utah or in any other place under the name or mark "General Telephone."

55. GTE has no plans to expand its business into the State of Utah under the name or mark "General Telephone."

56. GTE does generate some revenues in Utah through its General Telephone Operating Group. Some telephone services rendered outside Utah are billed to and paid from Utah. Additionally, operating subsidiary customers who travel to Utah and place long distance telephone calls from Utah may use a General Telephone Operating Company credit card, may make a "collect call" to a General Telephone Operating Group number or may request that a call be charged to a General Telephone Operating Group number.

#### Confusion Between GTE and Defendant General Telephone

57. Public confusion, if any, in the Wasatch Front area between GTE and defendant General Telephone is de minimus.

58. Williams' current and potential customers do not identify the mark "General Telephone" as designating products or services originating with GTE or its subsidiaries.

59. In the last 15 years, the local Chamber of Commerce has never perceived any confusion nor experienced any confusion between GTE and defendant General Telephone. People in the Wasatch Front do not regard defendant General Telephone as part of GTE.

60. A National Survey on behalf of GTE was inconclusive as to any local connection with, confusion of or name recognition between GTE and defendant General Telephone. The survey showed 88 respondents, eight of

whom were Utah residents, all from West Valley. Nationally the survey showed that 16.8% of respondents associated the name "GTE" with the name "General Telephone." In 1973, only 7% identified General Telephone as related to GTE.

61. A local survey showed very little name recognition of, connection with or confusion between GTE and General Telephone by the public.

62. A few instances of confusion did occur in 1979 when job applicants of defendant General Telephone assumed a relationship between defendant and GTE and some telephone calls were misdirected.

63. There are no claims of similarity between GTE's logo and defendant General Telephone's logo and the Court sees no similarity that could cause confusion.

#### Innocent Adoption Defense: Good Faith

64. At the time Williams adopted the General Telephone name and mark in 1974, he had heard of a company called "General Telephone and Electronics of California" in the context of its involvement in some litigation in California.

65. At the time Williams adopted the General Telephone mark in 1974 in connection with his mobile/portable telephone and paging services, he had no knowledge that GTE used or claims to use "General Telephone" as a trade or service mark, or that any other entity used or claimed to use that mark; he had checked with legal counsel and the office of the Secretary of State of Utah and had found that the name was available in Utah.

66. At the time he adopted the "General Telephone" mark, Williams did not intend to palm off his services as originating with GTE, nor did he intend to benefit from GTE's alleged goodwill or reputation.

67. Williams was entirely unaware of GTE's objection to his use of the "General Telephone" mark until his receipt of GTE's September 1, 1982 notification letter.

#### Laches and Waiver; Acquisition of Trademark

68. Prior to October 22, 1982, GTE did not have a registered trade or service mark of "General Telephone" with the United States Patent and Trademark Office.

69. In 1975, GTE sales personnel employed by GTE Products Corporation knew or should have known that someone other than GTE was using "General Telephone" as a trade and service mark.

70. No GTE personnel investigated defendant's usage of "General Telephone" in 1975 or any time prior to 1979.

71. George Beatty, Director of Human Resources of GTE Automatic Electric in Salt Lake City in 1979, whose job duties included dealing with public relations, became aware that Williams was using that "General Telephone" mark in March 1979. Jim Beane and Cindy Shaw, also employees of GTE Automatic Electric, were aware of Williams' use of "General Telephone" in 1979.

72. GTE personnel in Salt Lake City knew or should have known from 1979 to September 1982 that Williams was actively promoting his business under the "General Telephone" mark.

73. In March 1981, Douglas Gilbert, GTE's in-house counsel responsible for trademark matters, learned that Williams was using the mark "General Telephone" to identify his paging and mobile/portable telephone services in Utah.

74. Shortly after March 1981, Mr. Gilbert discovered that GTE had not previously obtained a registered trademark for the "General Telephone" mark. In March or April 1981, Gilbert knew that common law rights of enforcement would have been the only tool to stop defendant from using "General Telephone." He therefore initiated a registration procedure by filing with the Patent and Trademark Office a petition to Make Special on June 18, 1981. The "Make Special" procedure was employed to expedite the registration process.

75. In the petition, Gilbert claimed that the reason for an expedited process was that an unnamed corporation was actively infringing. Gilbert did not identify Williams as the infringer because he wanted to wait until GTE had obtained a federal trademark registration for "General Telephone," or was certain soon to obtain it, before Williams learned of his alleged infringement.

76. Counsel for GTE felt that it may not have a claim, common law or otherwise, against Williams without a registered trademark and therefore it sought to bolster its claim by obtaining a trademark without notifying Williams of the alleged infringement.

77. The Petition to Make Special was denied on the grounds that GTE had not provided the Patent and Trademark Office the name of the alleged infringer.

78. From March 1981 to September 1982, when he informed Williams of the alleged infringement, Gilbert was aware that Williams was actively promoting the mark and his business under the mark "General Telephone."

79. During the period from 1975, when GTE sales personnel became aware or should have become aware that someone other than GTE was using the "General Telephone" mark in Utah, until September 1, 1982, when GTE sent Williams notice of his alleged infringement, no GTE employee or agent informed Williams that GTE considered him to be infringing.

80. Williams was unaware of GTE's objections to his use of the "General Telephone" mark until his receipt of GTE's September 1, 1982 notification letter.

#### Equitable Considerations

81. Between 1975 and 1982 Williams built transmission towers and installed switching equipment in the Wasatch Front area in reliance upon the expectation that he would continue to employ the mark "General Telephone."

82. Between 1975 and 1982, Williams expended significant and substantial sums of money in creating public awareness of the "General Telephone" mark and of his paging and mobile/portable telephone services in reliance on his expectation that he could continue to employ the "General Telephone" mark.

83. In 1975 the combined Industrial Communications/General Telephone revenue totalled approximately \$150,000.

84. In 1982 the combined revenues of those two entities was \$1.75 million, of which over one million dollars was attributable to General Telephone.

85. GTE has suffered no lost profits or any other financial harm or damage as a result of Williams' use of the "General Telephone" mark.

86. GTE has suffered no reputational harm as a result of Williams' use of the mark "General Telephone."

#### CONCLUSIONS OF LAW

1. This is an action for trademark infringement and unfair competition under Sections 32(1), 35 and 43(a) of the Lanham Act of 1946, 15 U.S.C. Sections 1114(1)(a), 1114(1)(b), 1117 and 1125(a). Subject matter jurisdiction is founded upon the existence of a federal question, 15 U.S.C. Section 1121 and 28 U.S.C. Sections 1338(a) and (b), upon diversity of citizenship of the parties, 29 U.S.C. Section 1332 and upon pendent jurisdiction for common law unfair competition. The Court has personal jurisdiction over the parties to this action.

2. Venue is laid by GTE in the Central Division of the District of Utah. The statutory basis for the claim of venue is 28 U.S.C. Section 1391 as Williams is doing business in and is a resident of this District and the claims arose from Williams' activities which were, are and will be carried on within this District.

3. An actual case or controversy as to the ownership and rights to the trademark and trade name "GENERAL TELEPHONE" has arisen and now exists between GTE and Williams concerning ownership and the rights to use the trademark and trade name "GENERAL TELEPHONE."

4. Williams first used "GENERAL TELEPHONE" as a name and service mark in the Wasatch Front to identify his paging and mobile/portable telephone services in March 1974.

5. Williams adopted and has used the "GENERAL TELEPHONE" mark in good faith.

6. Williams was without knowledge of GTE's alleged use of "GENERAL TELEPHONE" as a service mark prior to his adoption of that mark in 1973 and prior to his first use of that mark in March 1974.

7. Williams has continuously used the "GENERAL TELEPHONE" mark in the Wasatch Front since March 1974, a date prior to GTE's registration of that mark in the PTO or the publication of that mark by the PTO.

8. Williams has never provided any services under the name or mark "GENERAL TELEPHONE" outside the Wasatch Front area.

9. Williams has owned and employed "GENERAL TELEPHONE" as a valid common law service and trademark in the Wasatch Front continuously from March 1974 to the present time.

10. GTE did not own "GENERAL TELEPHONE" as a common law service or trademark in the Wasatch Front at the time Williams obtained his mark in March 1974.

11. GTE has never owned the service or trademark rights to "GENERAL TELEPHONE" in the Wasatch Front.

12. Williams' use of the "GENERAL TELEPHONE" mark in the Wasatch Front is not likely to cause confusion in the marketplace concerning the source, origin or sponsorship of his paging and mobile/portable telephone services.

13. Williams has not violated Sections 1114(1)(a) and (b) or 1125(a) of Title 15, United States Code.

14. Pursuant to 15 U.S.C. Section 1052(d), Williams is entitled to concurrent registration of "GENERAL TELEPHONE" for the Wasatch Front, and Williams is entitled to exclusive use of the mark in the Wasatch Front.

15. GTE's delay in informing Williams of his alleged infringement was unreasonable and unjustified.

16. Williams was harmed by GTE's delay in informing him of his alleged infringement in that he spent time and money developing public recognition of the "GENERAL TELEPHONE" mark and building a business around that mark.

17. As a result of GTE's unreasonable and unjustified delay in informing Williams of his alleged infringement of the "GENERAL TELEPHONE" mark, GTE is barred by laches from obtaining a permanent injunction against Williams' use of "GENERAL TELEPHONE" in the Wasatch Front.

18. GTE is not entitled to an injunction against Williams prohibiting his use of the "GENERAL TELEPHONE" mark or name in the Wasatch Front.

19. GTE is not entitled to be awarded damages by Williams for his alleged infringement of the "GENERAL TELEPHONE" mark.

20. The circumstances in this case are not exceptional, and pursuant to 15 U.S.C. Section 1117(a), GTE is not entitled to receive attorney's fees from Williams.

DATED: June 30, 1986.

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J. THOMAS GREENE  
UNITED STATES DISTRICT JUDGE

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